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## REAL ESTATE GPS

Welcome to the latest edition of Real Estate GPS. While I may have been out of touch the last month, I haven't been out of tune. Demand for housing continues and reasonably priced inventory throughout the DC area continues to move quickly. Multiple offers for housing, including rentals, is common, and consumer demand for investment properties and flipping opportunities continues. In fact, July sales data reports the highest median prices in Montgomery County since July of 2007.

That being said, I'm dedicating much of this issue to financing options available for renovations-both primary residences and investments, flips, and so on. A new service even offers homeowners with equity but no cash the opportunity to prep their homes for maximum return without spending anything up front.

With all the momentum in the market, you may wonder if an adjustment is on the horizon. According to our Realtor economist, Lawrence Yun, the answer is no. I'm including a link to his synopsis, as well as space efficient design trends. Parents, save 6% ! Maryland's tax free week which ends August 18th.

As always, I welcome your input and feedback.

## RENOVATION LOANS

With the popularity of HGTV and flipping shows, everyone wants to get in on the Real Estate action! While many have the vision and the ability to acquire a loan, their wallets may fall short for renovation repairs. While prospective home buyers may be privy to 203K and other renovation loans for owner occupants, many don't realize the same funding is available for investments. That's a game changer!

Fannie Mae's Homestyle Renovation loan allows borrowers to build repairs into owner occupied properties and a **1 unit investment property**. Consultant fees, permit fees, architectural fees, appraisal, renovation fees, and up to 6 months of mortgage payment for owner occupied properties not useable during renovation are all permissible charges that can built into loan.

<https://www.fanniemae.com/content/guide/selling/b5/3.2/02.html>

## PARK PLACE FOR BOARDWALK: 1031 EXCHANGE

While on the subject of investments, it seems like a good time to mention 1031 exchanges. With a spike in demand and housing prices, some of you may be ready to cash in on favorable market conditions. Uncle Sam will want his cut too. If you want to capitalize on return without paying taxes upfront and plan to continue investing, a 1031 exchange may be for you! A 1031 allows you to defer taxes as long as the funds are used to acquire a like property within 180 days of settlement. Restrictions apply. You will need to hire a QI, a qualified intermediary to facilitate your exchange. They charge a nominal fee, and will work hand in hand with your Realtor and title company. You must decide on a property within 45 days of settling on your sale.

See below for more information:

<https://www.1031.us/>

<https://www.irs.gov/newsroom/like-kind-exchanges-under-irc-code-section-1031>

## JULY HOUSING STATS AND MARKET PROJECTION

See the latest MD and DC housing data published monthly through GCAAR, our local Realtor association plus a recently published article from Lawrence Yun regarding the state of our Real Estate market.

<https://gcaar.com/docs/default-source/press-releases/housing-stats-press-releasejuly2018.pdf?sfvrsn=2>

<https://www.forbes.com/sites/lawrenceyun/2018/08/02/no-housing-recession-over-horizon/#df7c341f79c9>

## MAX SALES PRICE

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Are you or is someone you know house rich but cash poor? Perhaps you want to capitalize on favorable market conditions but lack the funds available to make necessary improvements. A new local start up maybe just the solution. Max Sales Price offers property upgrades and repairs with no payment until closing. They require that your property be listed with a Real Estate Agent and have a minimum repair order. The hold time is interest free. Other restrictions apply.

The option is ideal for estate sales or for sellers with equity but no cash reserves. Learn more about their service at :

[www.MaxSalesPrice.com](http://www.MaxSalesPrice.com)

## AN ALTERNATIVE TO WINDOW REPLACEMENT

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While attending a recent Realtor Conference, I came across a life saver and potential deal saver when window issues arise during an inspection. The company is Swisco and offers window parts, screens and all sorts of videos for DIYs.

As a Realtor, I often advise my clients of the value of upgraded windows. It's a costly expense, and in some cases, an unnecessary one. You may have durable, efficient windows that require simple part repair. Contractor costs may be expensive and window repair companies may be backed up. Now an easy fix may be available. The company provides free online estimates for your scenario. They also offer a unique alternative to the cumbersome window screen, their new flex screen option. I'll be ordering mine soon!

Learn more at [www.Swisco.com](http://www.Swisco.com)

## FIX AND FLIP

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Another great financing option is available to new investors. For those with a vision and a 25% down payment, you too can compete in the investor bidding war. A local lender offers a great tool for investors looking for the opportunity to flip a property without paying exorbitant hard money lender fees. Fix and Flip, a program offered by allows borrowers to carry a loan for 1 year and up to 3 years in certain circumstances. With a competitive credit score, the qualification process is streamlined. Interest rates range from 7-8% versus 10-15% in some cases. Restrictions and applicable upfront fees apply. For more information:

Otmane Laassel at HomeSpire Mortgage, [otmane@homespiremortgage.com](mailto:otmane@homespiremortgage.com)

## TRENDING IN REAL ESTATE

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Every season presents new home innovations and design trends. No matter how big or small your home, space is a never ending dilemma. Utility and genius provide one solution, under stair storage! First and second steps becomes drawers for everyone items.

In my tour of homes throughout the area, closet spaces below staircases are quite common. One homeowner has yet another use, a playroom! Bright colors and small accessible shelves make for a creative and utile space to keep your little ones entertained.

Learn more about this and other stair storage ideas below:

<https://www.bobvila.com/slideshow/15-clever-uses-for-the-space-under-the-stairs-46247#under-stair-storage>

## MY SHORT SALES PITCH

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My business is largely referral based. The greatest compliment I can receive is your endorsement to friends, family, and colleagues. If you or someone you know is in need of Real Estate Services, I welcome your referrals. I am licensed to serve in Maryland, DC, and Virginia. I thank you.

## DISCLAIMER

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